

Message Text

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PAGE 01 LA PAZ 00633 231538Z
ACTION XMB-04

INFO OCT-01 ARA-14 ISO-00 EB-08 TRSE-00 AID-05 CIAE-00

INR-07 NSAE-00 /039 W

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FM AMEMBASSY LA PAZ
TO SECSTATE WASHDC 9075
INFO USDOC WASHDC

UNCLAS LA PAZ 0633

DEPARTMENT PASS EXIM

E.O. 11652: N/A

TAGS: BEXP, BL

SUBJ: BID BY AIR PRODUCTS, INC. OF ALLENTOWN, PENNSYLVANIA
FOR OXYGEN PLANT.

DEPARTMENT PASS EXIM

1. IN RESPONSE TO CONCERNS EXPRESSED TO US THAT AIR
PRODUCTS WAS NOT RECEIVING EQUITABLE TREATMENT IN ITS
BID TO SECURE A CONTRACT FOR SUPPLYING EQUIPMENT FOR AN
OXYGEN PLANT IN BOLIVIA, EMBASSY MINERALS AND COMMERCIAL
ATTACHES HAVE BEEN MADE REPRESENTATIONS TO ENAF AND MINISTRY
OF MINES OFFICIALLY. THE CALLS SERVED TO MAKE CLEAR THE
EMBASSY'S INTEREST IN SEEING THAT THE AIR PRODUCTS
PROPOSAL WAS ACCORDED THE SAME CONSIDERATION AS THOSE OF
ALL OTHER BIDDERS. THE VISIT WAS PROMPTED BY THE RECEIPT
OF INFORMATION THAT KLOCKNER, THE FIRM WHICH PREPARED THE
FEASIBILITY STUDY FOR THE OVERALL PROJECT (LEAD AND SILVER
SMELTER) OF WHICH THE OXYGEN PLANT IS A PART, WAS REPORTEDLY
THE FRONT-RUNNER IN THE BIDDING FOR THE PLANT, DESPITE
THE FACT THAT IS BID CONSISTED ONLY OF A COPY OF THE
TENDER AND A COVERING LETTER. AIR PRODUCTS HAD THE
LOWEST BID.

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2. MINISTRY OF MINING REPRESENTATIVES HAVE STRESSED
THE IMPORTANCE OF OFFERING COMPETITIVE FINANCIAL
TERMS FOR THIS PROJECT, WHICH IS VALUED AT APPROXIMATELY
\$2 MILLION. IT IS OUR UNDERSTANDING THAT AIR PRODUCTS,
IF AWARDED THE BID, WILL SEEK EXIM BANK FINANCING. WE
HOPE THAT EXIM WOULD FIND IT POSSIBLE TO OFFER COMPETITIVE

RATES AND CONDITIONS. US COMPANIES HAVE HAD SERIOUS PROBLEMS MAKING IN-ROADS INTO BOLIVIA'S PROMISING MARKET FOR SMELTING AND REFINING EQUIPMENT, IN LARGE PART BECAUSE OF INABILITY TO PROVIDE ATTRACTIVE FINANCING. WITHIN A YEAR, FOR EXAMPLE, ENAF WILL ASK FOR BIDS ON A ZINC SMELTER-REFINING COMPLEX WHICH IS ESTIMATED AT \$220 MILLION.

BOEKER

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NNN

Message Attributes

Automatic Decaptoning: X
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Channel Indicators: n/a
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Draft Date: 23 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978LAPAZ00633
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Drafter: n/a
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Executive Order: N/A
Errors: N/A
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Handling Restrictions: n/a
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ISecure: 1
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Review Release Date: n/a
Review Release Event: n/a
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